
Michael Willard and Linda Arnold may provide candidates with the results of a poll conducted by their public relations firm, Willard & Arnold Communications, Inc. (W&.A), provided that:

- Mr. Willard or Ms. Arnold reimburses W&.A for the costs at the usual and normal rate and
- W&.A extends credit to Mr. Willard and Ms. Arnold on the same terms as those extended to other clients in the ordinary course of business.

Under the proposal approved by the Commission, W&.A would include questions about federal candidates in polls which were conducted for nonpolitical clients, and the poll results would be provided to candidates or potential candidates before the results were made public. Mr. Willard or Ms. Arnold would reimburse W&.A for the cost of the political questions.

Candidates who accepted the poll results would be receiving in-kind contributions (see 11 CFR 106.4(b)), subject to the contribution limitations of 2 U.S.C. §441a(a)(1)(A).

As contributors of poll results, Mr. Willard and Ms. Arnold would have to maintain records supporting each in-kind contribution and inform recipient candidates of the value of each contribution, 11 CFR 106.4(h). Commission Regulations provide methods for determining the amount of an in-kind contribution of public opinion poll results. 11 CFR 106.4(e).

If W&.A were to extend credit to Mr. Willard or Ms. Arnold on terms which differed from the terms available to other clients in the ordinary course of business, or if W&.A were to charge Mr. Willard or Ms. Arnold less than the usual and normal charge for the services provided, W&.A could violate the election law by making a prohibited corporate contribution to the recipient candidate. See 2 U.S.C. §441b(a); 11 CFR 100.7(a) (1)(iii)(b), 114.4(a)(1) and 11 CFR 114.10.

W&.A proposes the federal election polling activity, at least in part, to create "goodwill". This intent, however, does not alter the nature of the election-influencing activity or the application of the Act and Commission Regulations to the activity. See AO 1986–30. (Date issued: August 21, 1987; Length: 3 pages)
AO 1987-24: Incorporated Hotel Chain May Provide Complimentary Items To Federal Candidates

The Hyatt Corporation (Hyatt), a hotel chain, may offer complimentary items (including discounted or complimentary rooms, flowers, food, beverages and other amenities) to federal candidates, provided that the complimentary items are offered to both political and nonpolitical clients on the same terms and conditions.

Under the Act and Commission Regulations, goods and services provided by corporations to political committees and candidates are viewed as prohibited corporate contributions if the goods and services are provided at less than the usual and normal charge. 11 CFR 100.7(a)(1)(iii); see also AOs 1986-22 and 1985-28. Because Hyatt proposes to provide its complimentary items to political candidates and committees on the same terms and conditions as it does to nonpolitical clients, Hyatt would be viewed as providing goods and services to the candidates and committees at the usual and normal charge. (Date issued: September 10, 1987; Length: 2 pages)

AO 1987-25: Volunteer Services Conducted by Foreign National

Ricardo A. Otaola, a Venezuelan citizen who is a student in the United States, may volunteer his services, without compensation, on behalf of a 1988 Presidential campaign.

Under the Act, a foreign national is prohibited from making a "contribution of money or other thing of value...in connection with an election to any political office..." 2 U.S.C. §441e. Uncompensated volunteer services conducted by individuals, however, are specifically exempt from the definition of "contribution." 2 U.S.C. §431 (8)(B)(i). Therefore, Mr. Otaola's work as a volunteer in a Presidential campaign would not result in a contribution to the candidate's campaign. See AOs 1984-43 and 1982-31.

The Commission considered the extent to which this conclusion conflicts with Advisory Opinion 1981-51 and, by a vote of 2-4, declined to supersede or overrule AO 1981-51. (Date issued: September 17, 1987; Length: 3 pages)

CONFERENCE SERIES REMINDER

The FEC's fall conferences on campaign finance laws are proceeding on schedule. For more information, contact the FEC's Information Services Division at: 202/376-3120 or toll-free 800/424-9530.

Conference Schedule

October 15-16* Madison, Wisconsin
FEC and Wisconsin State Election Board

November 15-17* Austin, Texas
FEC and Texas Secretary of State

*The first day of the conference is for registration and, in some cases, a reception.

NEW BIBLIOGRAPHY AVAILABLE

Campaign Finance and Federal Elections, a selected bibliography with annotations, is now available from the FEC's Public Records Office. The 82-page bibliography, compiled by the staff of the Commission's Law Library, costs $4.00.

The bibliography organizes written materials into four categories:
- Selected legislative history materials on the Federal Election Campaign Act and its amendments;
- Books, monographs and treatises;
- Guidebooks, handbooks, compilations, bibliographies and indices; and
- Articles from law reviews, political science publications and business and general periodicals.

To order a copy, call the Public Records Office: 202/376-3140 or 800/424-9530.

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GORE, DU PONT, DUKAKIS DECLARED ELIGIBLE FOR PRIMARY MATCHING FUNDS

On July 14, 1987, the Commission declared U.S. Senator Albert Gore eligible to receive federal matching funds in his bid for the 1988 Democratic nomination for President. On August 24, 1987, former Governor Pete du Pont, who is seeking the Republican Presidential nomination, was declared eligible. On September 9, 1987, Massachusetts Governor Michael Dukakis was also declared eligible in his bid for the Democratic nomination.

To become eligible for matching funds a candidate must raise over $100,000 by collecting more than $5,000 in 20 different states in amounts no greater than $250 from any individual. Presidential candidates have been able to seek eligibility for primary matching funds since January 1, 1987. Actual payments will not be made however, until after January 1, 1988. The maximum amount of matching funds a Presidential candidate may receive is half of the overall spending limit established by law ($10 million, plus a cost-of-living adjustment). The limit may be as high as $22 million in 1988, in which case each candidate could qualify for approximately $11 million in federal funds.

THE LaROUCHE CAMPAIGN: FINAL REPAYMENT DETERMINATION

On August 20, 1987, the Federal Election Commission determined that Lyndon H. LaRouche and The LaRouche Campaign were not required to make a repayment of federal funds under 26 U.S.C. §9038(b)(2) and 11 CFR 9038.2(b) (2) with respect to Mr. LaRouche's campaign for the 1984 Democratic Presidential nomination.

On October 17, 1986, the Commission had made an initial determination that The LaRouche Campaign must repay $54,607.65 to the Secretary of the Treasury. The final repayment determination, however, found that, because The LaRouche Campaign had presumably used the federal funds for qualified campaign expenses, no repayment was required.

Copies of The LaRouche Campaign's final repayment determination may be obtained from the Commission's Public Records Office. Call 800/424-9530 or, locally, 376-3140.

CONTRIBUTIONS TO "KEMP FORUM" NOT MATCHABLE

On August 18, 1987, the Commission made an initial determination that the Jack Kemp for President Committee (the Committee) is not entitled to primary matching funds for contributions made payable to "The Kemp Forum." The initial determination was made in accordance with the Commission's Regulations at 11 CFR 9034.2(c).

The Regulations specify that matchable contributions must be written instruments made "to the order of, or specifically endorsed without qualification to, the presidential candidate, or his or her authorized committee." 11 CFR 9034.2(c). The Commission's Guideline for Presentation in Good Order, at Exception Code A-5, provides "A written instrument made payable to an entity other than the candidate or an authorized committee...is nonmatchable unless the payee name represents the name of a function sponsored and authorized by the candidate/committee and a copy of the solicitation material to the event is included with the submission." In its review of the solicitation materials, the Commission found no evidence indicating that the Kemp Forum was a function sponsored and authorized by the Committee or by the candidate himself as a Presidential candidate.

Within 30 days after receiving the Commission's initial determination, the Committee may submit legal or factual material to demonstrate that the contributions are matchable. 11 CFR 9036.5.

PUBLIC APPEARANCES

10/8-9 Georgetown University Law Center and District of Columbia Bar Washington, D.C.
Chairman Scott E. Thomas
Vice Chairman Thomas J. Josefsk
Lawrence Noble, Acting General Counsel

Chairman Scott E. Thomas
SINGLE-CANDIDATE COMMITTEES

This article responds to questions received by the Commission concerning unauthorized political committees which support only one candidate for federal office.

Please note that this article does not pertain to Presidential delegate committees—committees which may be committed to one candidate. For guidance, delegate committees should consult 11 CFR 102.14(b)(1) and 110.14 and Advisory Opinion 1987-15, summarized in the September 1987 Record. Please note also that the Commission has recently approved revisions to its delegate regulations at 110.14.

Definition

What is an unauthorized single-candidate committee? An unauthorized single-candidate committee is a registered political committee which makes or receives contributions, or makes expenditures, on behalf of only one candidate and which has not been authorized by any candidate.

How does it differ from an authorized candidate committee? An authorized candidate committee is officially designated by the candidate as part of his or her campaign organization. (The candidate designates the committee on FEC Form 2, the Statement of Candidacy, or in a letter containing the same information.) 11 CFR 101.1. By contrast, an unauthorized single-candidate committee has no official status in the candidate's campaign organization. (In fact, the candidate may formally disavow the unauthorized committee's efforts if the FEC notifies the candidate that the committee has raised or spent over $5,000 on his or her behalf. 11 CFR 100.3(a)(3).)

Name of Committee

May an unauthorized single-candidate committee use the name of the candidate it supports in the committee's title? No, it may not use the name of any candidate in its title. 11 CFR 102.14 (a).

Contributions Received and Support of Candidate

Do contributions to an unauthorized single-candidate committee count against the donors' contribution limits for the candidate the committee supports? Yes. When a person gives to a committee knowing that a "substantial portion" of the contribution "will be contributed to, or expended on behalf of," a specific candidate, the donor's contribution counts against the per-election limit for that candidate. 11 CFR 110.1(h). Therefore, contributions to a single-candidate committee and to the authorized committee of the candidate it supports are subject to the same contribution limit.

For example, with regard to the primary, if an individual gives Candidate Smith's authorized committee $500, the individual may only contribute up to $500 to an unauthorized single-candidate committee established to support Smith's candidacy. See also AO 1984-2. A person who has contributed the maximum lawful amount to an authorized candidate committee may not make any contributions for the same election to an unauthorized single-candidate committee supporting the same candidate.

How much money may an unauthorized single-candidate committee contribute to the candidate it supports? It may contribute up to $1,000 per election. 11 CFR 110.1(b)(1).

May an unauthorized single-candidate committee also make independent expenditures advocating the candidate's election? Yes, the committee may make unlimited independent expenditures as long as they are independent; they must not be made with the cooperation or prior consent of, or in consultation with, or at the request or suggestion of, the candidate or his/her authorized committees or agents. Expenditures that do not qualify as independent are considered contributions to the candidate and are therefore subject to the contribution limits. 11 CFR 109.1(a) and (c).

If an unauthorized single-candidate committee makes independent expenditures on behalf of the candidate, do contributions to the committee still count against the donors' contribution limits for the candidate? Yes. 11 CFR 110.1(h)(2). See also the Commission's response to AOR 1976-20.

Reporting

What reporting form does an unauthorized single-candidate committee use? The committee uses FEC Form 3X, the form used by all unauthorized committees.

Where does an unauthorized single-candidate committee file its reports? The committee files its reports with one of the following federal government offices:

A single-candidate committee supporting a candidate for the House of Representatives files with the Clerk of the House, Office of Records
and Registration, 1036 Longworth House Office Building, Washington, D.C. 20515-6612. 11 CFR 104.4(c)(3) and 105.1.

- A single-candidate committee supporting a Senate candidate files with the Secretary of the Senate, Office of Public Records, 222 Hart Senate Office Building, Washington, D.C. 20510-7716. 11 CFR 104.4(c)(2) and 105.2.

- A single-candidate committee supporting a Presidential candidate files with the FEC, 999 E Street, N.W., Washington, D.C. 20463. 11 CFR 105.4.

Do committees also have to file copies of their reports with the states? Yes. Committees must simultaneously file with the appropriate state government. The committee files a copy of the portion of the report which applies to the candidate (e.g., the Form 3X Summary Page and any supporting schedules which itemize contributions to the committee and expenditures on behalf of the candidate). A single-candidate committee supporting a House or Senate candidate files with the Secretary of State (or other designated state officer) in the state in which the candidate seeks election. 2 U.S.C. §439(a)(2)(A); 11 CFR 104.4(c) (2) and (3).

A single-candidate committee supporting a Presidential candidate files in the state(s) in which the committee and the Presidential committee have their respective headquarters. 2 U.S.C. §439(a)(2)(A); 11 CFR 108.4. However, in the case of independent expenditures, the single-candidate committee files in the state where the expenditure was made. 11 CFR 104.4(c)(1).

Supporting More Than One Candidate

What is the effect on an unauthorized single-candidate committee if it begins to support other candidates as well? The committee would no longer be a single-candidate committee and would have to amend its Statement of Organization (FEC Form 1) accordingly. It would be eligible to receive up to $5,000 per calendar year in contributions from a single donor. 11 CFR 110.1(d). Its contributions to a candidate would still be limited to $1,000 per election unless it qualified as a multicandidate committee (see below).

Remember, however, that when a person gives to a committee knowing that a "substantial portion" of the contribution "will be contributed to, or expended on behalf of," a specific candidate, the donor's contribution counts against the per-election limit for that candidate. 11 CFR 110.1(h).

May an unauthorized single-candidate committee change its status to a qualified multicandidate committee? Yes, once it has been registered as a political committee for at least 6 months, has received contributions from over 50 persons and has contributed to at least 5 candidates for federal office. 11 CFR 100.5(e)(3). Once it satisfies these requirements for multicandidate status, the committee may contribute up to $5,000 per election to a candidate. 11 CFR 110.2(b)(1). The committee must show, on its next report, that it has qualified as a multicandidate committee by checking the appropriate box on the Form 3X Summary Page.

CHANGE OF ADDRESS

Registered political committees are automatically sent the Record. Any change of address by a registered committee must, by law, be made in writing as an amendment to FEC Form 1 (Statement of Organization) and filed with the Clerk of the House, the Secretary of the Senate, or the FEC, as appropriate.

Record subscribers (who are not political committees), when calling or mailing in a change of address, are asked to provide the following information:
1. Name of person to whom the Record is sent.
2. Old address.
3. New address.
4. Subscription number. The subscription number is located in the upper left hand corner of the mailing label. It consists of three letters and five numbers. Without this number, there is no guarantee that your subscription can be located on the computer.
SPANNAUS v. FEC

On March 3, 1987, in CA No. 86-6219, the U.S. Court of Appeals for the Second Circuit affirmed the District Court's judgment in Spannaus v. FEC. (For a summary of the District Court's ruling, see p. 6 of the October 1986 Record.)

CONGRESSMAN STARK v. FEC (Suit One)

On August 20, 1987, the U.S. District Court for the District of Columbia issued an order dismissing with prejudice the plaintiff's complaint in Congressman Stark v. FEC, et al., Civil Action No. 87-1024. The court observed that the action was now moot. For a summary of Congressman Stark's complaint, see p. 6 of the June 1987 Record (see also p. 8 of the September 1987 Record).

NEW LITIGATION

FEC v. Committee to Elect Bennie O. Batts

The Commission asks the district court to declare that the Committee to Elect Bennie O. Batts (the Committee), the principal campaign committee for Mr. Batts' 1984 congressional campaign, and Evelyn Batts, acting as the Committee's treasurer, violated the election law by:

- Failing to amend the Committee's Statement of Organization to reflect that Evelyn Batts was the Committee's treasurer, in violation of 2 U.S.C. §433(c);
- Commingling funds of the Committee with personal funds of Evelyn Batts in Mrs. Batts' checking account, in violation of 2 U.S.C. §432(b)(3);
- Depositing receipts into and making disbursements from an account other than the Committee's designated campaign depository, in violation of 2 U.S.C. §432(h)(1); and
- Knowingly accepting contributions from Evelyn Batts which aggregated over $1,000 in connection with the primary election, in violation of 2 U.S.C. §441a(f).

The Commission also asks the court to declare that Evelyn Batts violated 2 U.S.C. §441a (a)(1)(A) by making contributions to the Committee aggregating over $1,000 for the primary election.

The Commission further asks the court to:

- Permanently enjoin the defendants from further violations of the election law and
- Assess against the defendants a civil penalty of the greater of $5,000 or the total amount involved in all of the violations, pursuant to 2 U.S.C. §437g(a)(6)(B).


Common Cause v. FEC (Suit Eight)

Pursuant to 2 U.S.C. §437g(a)(8)(a), Common Cause asks the court to declare that the FEC acted contrary to law by failing to act, within 120 days, on an administrative complaint which Common Cause filed with the Commission on October 28, 1986. Common Cause further asks the court to direct the FEC to proceed in conformity with the provisions of 2 U.S.C. §437g within 30 days.

Common Cause states that its administrative complaint alleged that the National Republican Senatorial Committee (NRSC) had violated the election law by making contributions to Republican Senatorial candidates in excess of the limits contained in 2 U.S.C. §441a(h).


FEC v. National Organization for Women

Pursuant to 2 U.S.C. §437g(a)(6)(A), the Commission asks the court to declare that the National Organization for Women (NOW), a nonprofit corporation, violated Section 441b(a) of the election law by financing letters sent to the general public, during the 1984 election cycle, which contained communications in connection with various federal elections (including, among others, the reelection campaigns of Senators Jesse Helms and Strom Thurmond).

The Commission also asks the court to:

- Assess, as a civil penalty, the greater of either $5,000 or the amount involved in the violation; and
- Permanently enjoin NOW from similar future violations of the election law.

This cumulative index lists advisory opinions, court cases and 800 Line articles published in the Record during 1987. The first number in the citation refers to the "number" (month) of the Record issue; the second number, following the colon, indicates the page number in that issue.

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